SINMA MEDICAL PRODUCTS (M) SDN BHD

v.

YOMEISHU SEIZO CO LTD & ORS

COURT OF APPEAL, PUTRAJAYA
ARIFIN ZAKARIA JCA
ARIFIN JAKA JCA
NIK HASHIM JCA
[CIVIL APPEAL NO: W-02-1-1996]
24 JULY 2004

TRADE MARKS: *Registered trade mark - Rectification by expungement - Phonetic confusion - Whether within relief for rectification - Whether visual similarity an essential requirement - Trade Marks Act 1976, ss. 14(1)(a), 45*

TRADE MARKS: *Infringement of - Registered trade mark - Whether use of registered trade mark constitutes infringement - Trade Marks Act 1976, s. 40*

TRADE MARKS: *Passing off - Phonetic similarity - Reputation in market - Whether established*

The first respondent was the registered proprietor in Malaysia of the trade mark consisting of a combination of the following, namely, three Chinese characters, a romanised word "Yomeishu" (the phonetic sound in Japanese of the said three Chinese characters) and a logo that depicted a stylized flying dragon, hilltops, clouds and water. The trade mark was in respect of a herbal medicinal wine manufactured in Japan since 1602 and imported into Malaysia since 1969. The said wine was promoted among the Chinese community in Malaysia using the pronunciation of the three Chinese characters "Yang Ming Jiu" in Mandarin, "Yeong Meng Chow" in Cantonese, "Yeoh Miah Chiew" in Hokkien and "Yang Miang Chiew" in Hakka.

In May 1981, the appellant commenced the business of importing medicinal wine from China. The wine was distributed and sold in Malaysia with the get up of a combination of the said three Chinese characters but with the prefix of two Chinese characters that made up the word "Chinese". Thus, the appellant's medicinal wine was referred to as "Chinese Yang Ming Jiu" in Mandarin or "Chinese Yomeishu" in Japanese. The appellant registered its trade mark that only included the translation into English of the first two Chinese characters and the transliteration of the other three Chinese characters into romanised Mandarin to read "Chinese Yangmingjiu". The respondents sued the

appellant for infringement and passing off on the ground that the appellant's trade mark was confusingly similar to that of the first respondent's. The learned judge found in favour of the respondents. Hence, the appellant's appeal.

Held (dismissing the appeal)
Per Nik Hashim JCA delivering the judgment of the court:

[1] The respondents had sought rectification as one of their reliefs to expunge the appellant's registration for "Chinese Yangmingjiu". The provision in the Trade Marks Act 1976 ('the Act') that governs the expungement of a registered trade mark is s. 45. Section 45 provides for the rectification of an entry of a trade mark that is made without sufficient cause or by any entry wrongfully remaining on the trade mark register. Section 14(1)(a) states that a mark or part of a mark shall not be registered as a trade mark if its use is likely to deceive or cause confusion to the public or will be contrary to law. It does not expressly limit the terms "likely to deceive" or "cause confusion" to exclude phonetic confusion. Neither is visual similarity an essential pre-condition for rectification and infringement. (p 823 a-e)

[2] The failure by the learned judge to make specific mention of s. 45 of the Act was of no consequence as rectification was a relief and was consequential upon the findings by him. Further, it was the respondents' pleaded case that the appellant's registered trade mark was a mark which when used would be likely to deceive or cause confusion and the relief of rectification of the trade mark register was sought based on the provision of s. 45 of the Act. (p 824 g-h)

[3] The learned trial judge was right in law and fact in finding that the use of the registered trade mark "Chinese Yangmingjiu" by the appellant was likely to deceive and cause confusion as it was confusingly similar to the Mandarin pronunciation of the first respondent's three Chinese characters. Therefore, the trade mark ought not to be in the register and ought to be expunged as rightfully ordered by the trial judge. Further, the respondents had registered the three Chinese characters and were therefore conferred a monopoly of the same whichever Chinese dialect they might be pronounced in. (p 825 b-c & f)

[4] The prominence given to the Chinese characters on the appellant's product clearly proved the appellant's deliberate use of the three Chinese characters as a trade mark. The five Chinese characters incorporated the respondents' three Chinese characters which were registered and which the learned judge found as an invented word that the 1st respondent had been using since

1602. The learned judge also found that the wine imported by the appellant from China into Singapore was actually called "New Lingzhi Chiew" and the appellant deliberately changed the name to "Chinese Yangmingjiu" both in Chinese characters and in romanised words. Therefore, the learned judge was correct when he found that the name change was effected because "Chinese Yang Ming Jiu" suggested the respondents' product and for no other reasons. (p 828 e-g)

[5] There was no challenge to the evidence of the respondents' experts nor to the trial judge's finding that the combination of the three Chinese characters was not descriptive but was a coined word. The learned judge further noted that even if it was not coined but descriptive, it had acquired a secondary meaning to represent the respondents' product. Therefore, the learned judge was right in finding that the five Chinese characters of the appellant so nearly resembled the respondents' three Chinese characters so as to likely deceive and cause confusion. It followed that the respondents' case for infringement under s. 38(1)(a) of the Act was clearly established. The appellant was therefore not entitled to use the three Chinese characters to promote its product. (p 829 d-e)

[6] The appellant's contention that the use of a registered trade mark pursuant to s. 40(1)(f) of the Act does not constitute an infringement was of no merit. Section 40(1)(f) of the Act presupposes that the appellant's trade mark was properly registered in the first place. It does not afford a defence in relation to marks wrongfully entered in the register. (p 829 f)

[7] The learned judge correctly found the appellant guilty of passing off. He found that the respondents had built up a reputation for their trade mark among the local Chinese community. Further, he found evidence that confusion was amply demonstrated in respect of the appellant's and the respondents' product by the public *via* the radio campaign that was conducted. (p 831 b-c & f-g)

*[**Bahasa Malaysia** Translation Of Headnotes*

Responden pertama adalah pemilik berdaftar di Malaysia bagi cap dagangan yang mengandungi tanda-tanda berikut, iaitu, tiga huruf Cina, perkataan roman "Yomeishu" (bunyi sebutan tiga huruf Cina tersebut dalam bahasa Jepun) dan logo yang mempamerkan naga terbang, puncak bukit, awan dan air. Cap dagangan tersebut adalah berkaitan sejenis wine herbal berubat yang dibuat di Jepun sejak 1602 dan diimport ke Malaysia sejak 1969. Wine tersebut telah dipromosikan di kalangan masyarakat China Malaysia dengan menggunakan

sebutan tiga huruf Cina iaitu "Yang Ming Jiu" dalam loghat Mandarin, "Yeong Meng Chow" dalam loghat Kantonis, Yeoh Miah Chiew" dalam loghat Hokkien dan "Yang Miang Chiew" dalam loghat Hakka.

Pada Mei 1981, perayu memulakan perniagaan mengimport wine berubat dari Negeri China. Wine tersebut diedar dan dijual di Malaysia dengan memakai tanda yang menggunakan campuran tiga huruf Cina berkenaan tetapi ditambah dengan dua huruf Cina lagi yang membentuk perkataan "Chinese". Maka itu, wine berubat perayu telah dirujuk sebagai "Chinese Yang Ming Jiu" dalam loghat Mandarin atau "Chinese Yomeishu" dalam bahasa Jepun. Perayu telah mendaftarkan cap dagangannya itu tetapi terjemahannya ke Bahasa Inggeris hanya mengkaitkan dua huruf Cina pertama, sementara tiga huruf Cina selebihnya dibentuk menjadi loghat Mandarin yang diromankan dan dibaca sebagai "Chinese Yangmingjiu". Responden mendakwa perayu kerana pelanggaran cap dagangan dan kelirupaan atas alasan bahawa cap dagangan perayu menyerupai cap dagangan mereka secara yang mengelirukan. Yang arif hakim mendapati bagi pihak responden dan perayu merayu.

Diputuskan (menolak rayuan)
Oleh Nik Hashim HMR menyampaikan penghakiman mahkamah:

[1] Responden memohon rektifikasi sebagai salah satu relif bagi menghapuskan pendaftaran perayu untuk "Yangmingjui China". Seksyen 45 Akta Cap Dagangan 1976 ('Akta') adalah peruntukan yang mengawalselia penghapusan sesuatu cap dagangan berdaftar. Seksyen 45 memperuntukan supaya rektifikasi dibuat terhadap sesuatu cap dagangan yang dimasukkan tanpa alasan yang mencukupi atau terhadap mana-mana kemasukan yang berada dalam daftar secara salah. Seksyen 14(1) menyatakan bahawa sesuatu cap atau sebahagian dari sesuatu cap tidak boleh didaftarkan sebagai cap dagangan jika ianya berkemungkinan memperdaya atau menimbulkan kekeliruan kepada orang awam ataupun bertentangan dengan undang-undang. Ia tidak secara jelas menghadkan terma "mungkin akan memperdaya" atau "menyebabkan kekeliruan" sebagai tidak termasuk kekeliruan sebutan. Keserupaan visual juga bukanlah syarat kepada rektifikasi dan pelanggaran.

[2] Kegagalan yang arif hakim menyebut s. 45 Akta secara spesifik tidak menimbulkan apa-apa akibat oleh kerana rektifikasi adalah suatu relif yang berbangkit ekoran dapatan-dapatan yang dibuat olehnya. Lagi pun, responden telah memplid bahawa cap dagangan berdaftar perayu adalah

suatu cap dagangan yang bila digunakan berkemungkinan akan memperdaya atau menyebabkan kekeliruan dan relif rektifikasi daftar cap dagangan juga dipohon dengan berasaskan peruntukan s. 45 Akta.

[3] Yang arif hakim betul di sisi undang-undang dan fakta dalam mendapati bahawa penggunaan cap dagangan berdaftar "Chinese Yangmingjiu" oleh perayu berkemungkinan akan memperdaya dan menyebabkan kekeliruan oleh kerana ianya menyerupai secara yang mengelirukan akan sebutan Mandarin tiga huruf Cina responden pertama. Oleh itu, cap dagangan tersebut tidak harus berada di dalam daftar dan hendaklah dihapuskan sepertimana yang diperintahkan oleh hakim bicara. Selain itu, responden telah mendaftar ketiga-tiga huruf Cina tersebut dan dengan itu telah memperolehi monopoli terhadapnya tanpa mengira loghat China mana ianya disebut.

[4] Penonjolan yang diberikan kepada huruf-huruf China pada produk perayu jelas membuktikan bahawa perayu dengan sengaja menggunakan huruf-huruf Cina tersebut sebagai cap dagangan. Lima huruf Cina yang berkenaan merangkumi tiga huruf Cina yang telah pun didaftar oleh responden dan yang mana yang arif hakim telah pun mendapati sebagai perkataan ciptaan yang digunakan oleh responden sejak 1602. Yang arif hakim juga mendapati bahawa wine yang diimport oleh perayu dari China ke Singapura sebenarnya dipanggil "New Lingzhi Chiew" dan bahawa perayu telah dengan sengaja menukar nama tersebut kepada "Chinese Yangmingjiu" dalam kedua-dua versi huruf Cina dan Roman. Oleh yang demikian, yang arif hakim betul apabila merumuskan bahawa pertukaran nama telah dibuat kerana "Chinese Yang Ming Jui" merujuk kepada produk responden dan bukan kerana sebab-sebab lain.

[5] Tiada cabaran dibuat kepada keterangan pakar di pihak responden ataupun kepada dapatan hakim bicara bahawa cantuman ketiga-tiga huruf Cina tersebut bukanlah berbentuk diskriptif tetapi adalah perkataan baru yang dicipta. Yang arif hakim seterusnya menyatakan bahawa jikapun ianya bukan ciptaan baru dan berbentuk diskriptif, ia memberikan maksud sampingan bagi mewakili produk responden. Oleh itu, yang arif hakim betul dalam mendapati bahawa kelima-lima huruf China perayu itu sebagai sangat menyerupai tiga huruf Cina responden yang berkemungkinan akan memperdaya dan menyebabkan kekeliruan. Makanya, kes responden kerana pelanggaran di bawah s. 38(1) Akta telah terbukti dengan jelas. Perayu dengan itu tidak boleh menggunakan ketiga-tiga huruf Cina tersebut bagi mempromosi barangan mereka.

[6] Hujah perayu bahawa penggunaan suatu cap dagang di bawah s. 40(1)(f) Akta sebagai bukan satu pelanggaran adalah tidak bermerit. Seksyen 40(1)(f) Akta mengandaikan bahawa cap dagang perayu telah didaftar dengan sempurnanya. Ia tidak mewujudkan pembelaan bagi cap-cap yang telah didaftar dengan secara salah.

[7] Yang arif hakim dengan betulnya mendapati perayu bersalah kerana kelirupaan. Beliau mendapati bahawa responden telah pun membina reputasi bagi cap dagang mereka di kalangan masyarakat Cina tempatan. Lebih dari itu, beliau mendapati keterangan bahawa kekeliruan di kalangan orang ramai berkaitan produk-produk perayu dan responden telah dibuktikan dengan sangat jelas melalui kempen yang di buat melalui radio.

Case(s) referred to:

AG Spalding & Bros v. AW Gamage Ld [1915] 32 RPC 273 ***(refd)***
Aristoc, Ld v. Rysta, Ld [1945] 62 RPC 65 ***(refd)***
Bismag Ld v. Amblins (Chemists) Ld [1940] 57 RPC 209 ***(refd)***
De Cordova & Ors v. Vick Chemical Coy [1951] 68 RPC 103 ***(refd)***
Edward Young & Co Ld v. Grierson Oldham & Co Ld [1924] 41 RPC 118 ***(refd)***
Golden Fan [1896] 13 RPC 288 ***(refd)***
Irving's Yeast – Vite Ld v. FA Horsenail [1934] 51 RPC 110 HL ***(refd)***
JC Eno Ltd v. Vishnu Chemical Co AIR 1941 Bombay 3 ***(refd)***
JS Staedtler & Anor v. Lee & Sons Enterprise Sdn Bhd [1993] MLJU 569 ***(refd)***
Mars GB Ltd & Anor v. Cadbury Ltd [1987] RPC 387 ***(refd)***
Mothercare UK Ltd v. Peguin Books Ltd [1988] RPC 113 ***(refd)***
Reckitt & Colman Products Ltd v. Borden Inc & Ors [1990] 1 All ER 873 ***(refd)***
Saville Perfumery Ld v. June Perfect Ld and FW Woolworth & Co Ld [1941] 58 RPC 147 ***(refd)***
Seet Chuan & Anor v. Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 3 CLJ 7 SC ***(refd)***
TG Balaji Chettiar v. Hindustan Lever AIR [1967] MAD 148 ***(refd)***
Yomeishu Seizo Co Ltd & Ors v. Sinma Medical Products (M) Sdn Bhd [1996] 2 BLJ 142 HC ***(refd)***

Legislation referred to:

Trade Marks Act 1976, ss. 3, 10(1)(c), 14(1)(a), 38, 40(1)(f), 45

Other source(s) referred to:

Christopher Wadlow, *The Law of Passing-Off Unfair Competition by Misrepresentation*, 3rd edn, p 294
Kerly's Law of Trade Marks and Trade Names, 13th edn, pp 612 & 619, paras 16-71
P Narayanan, *Law of Trade Marks (Trade Marks Act 1999) and Passing Off*, 5th edn, p 234

For the appellant - Darryl Goon (Fiona Bodipalar, Raja Eileen Suraya & Yvonne Ong); M/s Bodipalar Ponnudurai Nathan

For the respondents - Tommy Thomas (Ambiga Sreenevasan & Janini Rajeswaran); M/s Tommy Thomas

Reported by Usha Thiagarajah

JUDGMENT

Nik Hashim JCA:

Background

This appeal is directed against the judgment of VC George J (as he then was) delivered on 30 December 1995 and reported at [1996] 2 BLJ 142 in an action brought by the respondents before us as plaintiffs against the appellant as defendant. The learned judge had found the appellant guilty of passing off and infringement of the respondents' registered trade mark and gave judgment in favour of the respondents, granting declarations, permanent injunctions, orders in rectification of the Trade Mark Register and damages and costs of the action.

The main facts as stated in the judgment are that the first respondent was the registered proprietor in Malaysia of the trade mark consisting of: (i) a combination of three kanji characters (養命酒); (ii) the romanised word "Yomeishu", which is the phonetic sound in Japanese of the three kanji characters; (iii) the logo that depicts a stylized flying dragon, hilltops, clouds and water, in respect of their product, a herbal medicinal wine manufactured in Japan since 1602 and imported into Malaysia since 1969. The wine was promoted among the Chinese community in Malaysia using the pronunciation of the three kanji characters in: Mandarin – "Yang Ming Jiu", Cantonese – "Yeong Meng Chow", Hokkien – "Yeoh Miah Chiew" and Hakka – "Yang Miang Chiew".

The respondents claimed that as a result of extensive promotion, the first respondent had acquired a substantial reputation in respect of the combination of the three kanji characters in their respective phonetic pronunciation in the Chinese community. In May 1981, the appellant commenced the business of importing medicinal wine from China. The wine was distributed and sold in Malaysia with the get-up of a combination of three kanji characters with the prefix of two kanji characters that made up the word "Chinese". Thus, the appellant's medicinal wine could be referred as "Chinese Yang Ming Jiu" (in Mandarin), or "Chinese Yomeishu" (in Japanese). The appellant registered its trade mark which only included the translation into English of the first two characters and the transliteration of the three other characters into romanised

Mandarin to read "Chinese Yangmingjiu". The respondents sued the appellant for infringement and passing off on the ground that the appellant's trade mark was confusingly similar to that of the first respondent's.

In his reserved judgment, after a 29-day trial, the learned trial judge ruled among other things that the combination of the three kanji characters, pronounced "Yang Ming Jiu" in Mandarin, was an invented or coined word within the meaning of s. 10(1)(c) of the Act. His Lordship concluded by saying: "based on the totality of the evidence, there had been a deliberate choice by the defendant of the name of the plaintiffs' well-known product "Yomeishu", albeit camouflaged by having it in the Mandarin pronunciation of the combination of the kanji characters. The defendant was guilty of an impudent attempt to pretend that its wine was that which it was not".

Appeal

Essentially, the appellant raised three matters in this appeal, namely: rectification, infringement and passing off.

It is the appellant's contention that the order of rectification was wrongly made as the Trade Marks Act 1976 (the Act) does not confer purely phonetic or aural monopolies. The respondents' registered trade mark and the appellant's registered trade mark are completely different and visually, the appellant's mark "Chinese Yangmingjiu" in romanised form is not confusingly similar to the respondents' three kanji characters as the characters are capable of several pronunciations – not just the phonetic form as per the appellant's trade mark.

On the question of infringement, the appellant argued that there was no infringement of the respondents' registered trade mark by the use of the appellant's registered trade mark "Chinese Yangmingjiu" as the use of the five Chinese characters by the appellant was to describe the product as a "Chinese life preserving wine" and not used as a trade mark. Further, s. 40(1)(f) of the Act makes it clear that the use of a registered trade mark does not constitute an infringement.

Lastly, the appellant contended that the appellant was not guilty of passing off as there was no evidence of confusion of the appellant's and the respondents' product by the public. The get-up of their respective products are markedly different.

Rectification

Rectification under the Act is not a cause of action but a relief. In this case the respondents had sought rectification as one of their relief to expunge the appellant's registration for "Chinese Yangmingjiu". The provision in the Act which governs the expungement of a registered trade mark is s. 45 of the Act which reads:

> Subject to the provisions of this Act:
>
> (a) the Court may on the application in the prescribed manner of any person aggrieved by the non insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry made wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit; …

Section 45 therefore provides for the rectification of an entry of a trade mark which was made without sufficient cause or by any entry wrongfully remaining on the Register. Section 14 of the Act states:

> (1) A mark or part of a mark shall not be registered as a trade mark:
>
> (a) if the use of which is **likely to deceive or cause confusion** to the public or would be contrary to law; … (emphasis is provided)

However, the Act does not expressly limit the terms "likely to deceive" or "cause confusion" under s. 14(1) (a) to exclude phonetic confusion; neither is visual similarity an essential pre-condition for rectification and infringement.

In *Aristoc, Ld v. Rysta, Ld* [1945] 62 RPC 65 the applicants had applied to register the word "Rysta" in class 25 for stockings. The applicants had used the word in connection with their repair service for stockings since 1929, and stated they intended to manufacture stockings in order to exploit the goodwill built up by such service. The application was opposed by the proprietors of the mark "Aristoc", also registered for stockings, which had been used for the manufacture and sale of stockings since 1923 on a very large scale. One of the grounds of opposition was that the mark "Rysta" was too closely resembled. The House of Lords upheld the dissenting judgment of Luxmoore LJ in the Court of Appeal and refused registration of the infringing marks based solely and purely on phonetic confusion. The following passages from the judgments of the three law lords are significant:

per **Viscount Maugham:**

> The answer to the question whether the sound of one word resembles too nearly the sound of another so as to bring the former within the limits of sec. 12 of the Trade Marks Act, 1938, must nearly always depend on first impression, for obviously a person who is familiar with both words will neither be deceived nor confused …
>
> The court must be careful to make allowance for imperfect recollection and the effect of careless pronunciation and speech on the part not only of the person seeking to buy under the trade description, but also of the shop assistant ministering to that person's wants.

per **Lord Macmillan:**

> Lastly, I find myself in agreement also with Luxmoore L.J. in holding that the proposed trade mark 'Rysta' ought not to be registered because it so nearly resembles phonetically the appellants' trade mark 'Aristoc' as to be likely to cause confusion … .

per **Lord Wright:**

> The central question, that is, the degree of similarity between the appellants' and the respondents' marks is, it is true, one which depends on the judge's personal impression, whether visual or phonetic. He cannot shelter under another judge's decision. But he has to envisage the circumstances in which visual or phonetic confusion is or is not likely to arise …

Thus, a mark the use of which is likely to deceive or cause confusion to the public is a mark which ought never in the first place to have been registered in the Trade Mark Register, and if it had been, the court, pursuant to s. 45 of the Act, has power to expunge it.

Learned counsel for the appellant submitted that the trial judge had failed to discuss s. 45 in his grounds of judgment. In our view, the judge's failure to make specific mention of this section is of no consequence as rectification is a relief and is consequential upon the findings by him with regards to matters pertaining to reputation enjoyed by Yomeishu, and misrepresentation made by the appellant on the change of the original name of its product from 'Lingzhi' or 'New Lingzhi Chiew' to "Chinese Yangmingjiu". Further, it is the respondents' pleaded case that the appellant's registered trade mark is a mark which when used would be likely to deceive or cause confusion and the relief of rectification of register was sought based on the provision of s. 45 of the Act.

It is not in dispute that the respondents' three characters when pronounced in Mandarin is pronounced as "Yang Ming Jiu". By evidence, the respondents have established that their customers in Malaysia refer to their product, not just as "Yomeishu" but also in Mandarin as "Yang Ming Jiu". Clearly, the appellant's registered trade mark "Chinese Yangmingjiu" when pronounced in Mandarin is likely to deceive or cause confusion because it sounds identically or similarly to the respondents' three kanji characters when pronounced in Mandarin. The learned trial judge was right in law and fact in finding that the use of the registered trade mark "Chinese Yangminjiu" by the appellant is likely to deceive and cause confusion as it is confusingly similar to the Mandarin pronunciation of the respondents' three kanji characters. Surely, once this finding has been made, the registered trade mark ought not to be in the Register and therefore ought to be expunged. Hence, the said relief was rightfully ordered by the trial judge.

The case of *Mars GB Ltd and Anor v. Cadbury Ltd* [1987] RPC 387 is not authority for the proposition that the appellant relies upon, namely, that when a mark is used and seen, its visual differences completely 'override' its aural similarities. The *Mars* case involved the use of the words "Treat Size" as against the confectionery "Treets". Whitford J at p. 395 line 30 observed:

> I have, of course, referred to those words of Parker J which deal with the need to consider not only the look of the marks but their sound.

Further in the *Mars* case, the words "Treat Size" was held not to have been used as a trade mark. However, in the instant case, the offending words are clearly used as a trade mark by the appellant, although they contend otherwise.

It must be noted that the respondents have registered the three characters, and therefore they are conferred a monopoly on the same, whichever Chinese dialect it may be pronounced in. The learned judge correctly noted that in the four dialects, namely, Mandarin, Cantonese, Hokkien and Hakka, commonly used by Malaysian Chinese, the romanised transliteration of the relevant phonetic sounds in the dialects are "Yang Ming Jiu", "Yeong Meng Chow", "Yeoh Miah Chiew" and "Yang Miang Chiew" respectively.

Infringement

Infringement of a trade mark is governed by s. 38 of the Act which states:

(1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either:

(a) as being use as a trade mark; …

Under s. 3 of the Act "trade mark" is defined to mean a mark used or proposed to be used in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods and the proprietor or registered user of the trade mark.

Sir Wilfrid Green MR in *Saville Perfumery Ld. v June Perfect Ld. and F.W. Woolworth & Co. Ld.* [1941] 58 RPC 147 at pp. 161 and 162 explained the law relating to infringement of trade marks and its differences and similarities with passing off:

The statute law relating to infringement of trade marks is based on the same fundamental idea as the law relating to passing-off. But it differs from that law in two particulars, namely (1), it is concerned only with one method of passing off, namely, the use of trade mark and (2), the statutory protection is absolute in the sense that once a mark is shown to offend, the user of it cannot escape by showing that by something outside the actual mark itself he has distinguished his goods from those of the registered proprietor. *Accordingly, in considering the question of infringement* the Courts have held and it is now expressly provided by the Trade Marks, 1938, Section 4, that infringement takes place not merely by exact imitation, but by the use of a mark so nearly resembling the registered mark as to be likely to deceive. *The questions therefore arise: First, is there a resemblance so close as to be likely to cause deception? In answering these questions, ocular comparison is, of course, an important matter to be taken into consideration, in some cases it may be conclusive one way or the other. But if the Court were to confine itself to this test the protection afforded by the law of trade marks would in many cases prove illusory.* It would be still more illusory if, as Mr. Lyold Jacob contended, no witness could be listened to who was not prepared to say that when he saw the mark complained of he had in his mind the actual registered mark and made a comparison between the two. Propositions of this kind, if accepted, would, as it appears to me, divorce the law of trade marks from business realities. In the case of certain goods, traders, and perhaps the public too, may be expected to receive so strong an impression of the actual mark as to lead to the conclusion that nothing short of a degree of resemblance apparent to the eye will cause the necessary likelihood of deception. On the other hand, many articles do not fall within this category. In the present case,

for example, the evidence makes it clear that traders who have to deal with a very large number of marks used in the trade in which they are interested, do not, in practice, and indeed cannot be expected to, carry in their heads the details of any particular mark, while the class of customer among the public which buys the goods does not interest itself in such details. In such cases the marks comes to be remembered by some feature in it which strikes the eye and fixes itself in the recollection. *Such a feature is referred to sometimes as the distinguishing feature, sometimes as the essential feature, of the mark.* I do not pause to examine these appellations, since the idea conveyed is free from ambiguity. *In deciding whether or not a feature is of this class, not only ocular examination, but the evidence of what happens in practice in the particular trade is admissible.* In the present case the evidence leaves me in no doubt as to the word "June" being the distinguishing or essential feature of the Appellants' mark. It is by this word that traders and members of the public who see the mark on the goods which they purchase describe the Appellants' goods, and indeed I should have been surprised if it had been otherwise.

Now the question of resemblance and the likelihood of deception are to be considered by reference not only to the whole marks, but also to its distinguishing or essential features, if any. (emphasis is provided)

In *De Cordova and Others v. Vick Chemical Coy* [1951] 68 RPC 103, the Privy Council held that the word "VapoRub" was an essential feature of the trade mark, that the words "vapour rub" so closely resembled that word as was likely to deceive, and that the mark was infringed. In his judgment, Lord Radcliffe said:

... A trade mark is undoubtedly a visual device; but it is well-established law that the ascertainment of an essential feature is not to be by ocular test alone. Since words can form part, or indeed the whole, of a mark, it is impossible to exclude consideration of the sound or significance of those words. Thus it has long been accepted that, if a word forming part of a mark has come in trade to be used to identify the goods of the owner of the mark, it is an infringement of the mark itself to use that word as the mark or part of the mark of another trader, for confusion is likely to result … .

In *T.G Balaji Chettiar v. Hindustan Lever* AIR 1967 MAD. 148 Ramamurti, J referred with approval to the case of *Golden Fan* [1896] 13 RPC 288 as well as to the *JC Eno, Ltd v. Vishnu Chemical Co* AIR 1941 Bombay 3, all of which held that if a person is the owner of a registered trade mark in a particular language, another person cannot claim registration of the same trade mark of the same word in any other language using the equivalent in translation.

Learned author P. Narayanan in his book, *Law of Trade Marks (Trade Marks Act 1999) and Passing Off*, 5th edn. at p. 234 states:

> If the trade mark consists of a word current in one language its equivalent in another language will, in general, be considered deceptively similar to that word, for the ideas conveyed by the words are the same.

Kerly's Law of Trade Marks and Trade Names, 13th edn. at p 612 paras 16-71 states:

> The importance of aural similarity is expressly recognized in the jurisprudence of the ECJ: … This is especially important now that infringement can be committed by oral use of a mark.
>
> The resemblance between two marks must be considered with reference to the ear as well as to the eye.

and at the footnote 92, there is a passage which reads:

> … A good example of the possibility of oral confusion being is Philips (1969) R.P.C. 78. The two marks were visually entirely different, but because the applicants' mark contained the word "Philips" there was a distinct possibility of oral confusion with the defendants' signature mark which ended with the surname "Philips".

Bearing in mind the aforesaid authorities and the judicial statements relating to infringement, we are of the view that the appellant's contention that it never used the three Chinese characters as a trade mark, although it used "Chinese Yangmingjiu" in romanised letters as its trade mark, is untenable. The prominence given to the Chinese characters on the appellant's product proves clearly a deliberate use of the three Chinese characters by the appellant as a trade mark. The five characters incorporate the respondents' three characters which are registered and which the learned trial judge found as an invented word which the 1st respondent has been using since 1602. The learned judge also found that the wine imported by the appellant from China into Singapore was actually called "New Lingzhi Chiew" and the appellant deliberately changed the name to "Chinese Yang Ming Jiu" both in Chinese characters and in romanised words. Thus, we find that the learned judge was correct when he found that the name change was effected because "Chinese Yang Ming Jiu" suggested the respondents' product for no other reasons.

The appellant relied on six cases, namely: (1) *Irving's Yeast – Vite Ld v. F.A. Horsenail* [1934] 51 RPC 110 HL; (2) *Mothercare U.K. Ltd v. Peguin Books Ltd* [1988] RPC 113, CA; (3) *Mars, supra*; (4) *Edward Young & Co. Ld v. Grierson Oldham & Co. Ld* [1924] 41 RPC 118, CA; (5) *Bismag Ld v.*

Amblins (Chemists) Ld [1940] 57 RPC 209, CA; (6) *J S Staedtler & Anor v. Lee & Sons Enterprise Sdn Bhd* [1993] MLJU 569 to support its contention that the five characters describe the appellant's product and were not used as trade marks. A review of these cases will indicate that they are distinguishable on facts with the instant case as the marks in these cases were clearly not used as trade marks. For example in *Irving's Yeast –Vite*, the defendant sold in his shop a preparation labeled "Yeast Tablets a substitute for 'Yeast-Vite'", which was not the plaintiffs' preparation nor of similar composition thereto. In the *Mothercare* case, the words "Mother Care" in the title of the book were not used as a trade mark or in a trade mark sense; they were being used descriptively with the words 'Other Care' what the book was about. Similarly in the other cases cited.

It must be noted that there has been no challenge to the evidence of the respondents' experts nor to the trial judge's finding that the combination of the three characters is not descriptive but is a coined word. The learned judge further noted that even if it was not coined but descriptive, it had acquired a secondary meaning to represent the respondents' product. That being the case, the learned judge was right in finding that the five Chinese characters of the appellant so nearly resemble the respondents' three kanji characters as to be likely to deceive and cause confusion as the five characters incorporate all the three characters which have been registered as trade marks by the respondents. Thus, the respondents' case for infringement under s. 38(1)(a) of the Act is clearly established. The appellant is therefore not entitled to use the three characters to promote its product.

With regard to the appellant's contention that the use of a registered trade mark pursuant to s. 40(1)(f) of the Act does not constitute an infringement, we find the contention devoid of any merit. We agree with the submission of learned counsel for the respondents, Mr. Tommy Thomas, that s. 40(1)(f), which was never pleaded or relied upon by the appellant in the High Court but is called in aid before us, presupposes that the appellant's trade mark was properly registered in the first place. This section does not afford a defence in relation to marks which were wrongfully entered on the register. As the relief of rectification was rightfully ordered by the learned judge, the respondents are entitled as of right to the injunction as the appellant's trade mark ought never to have been on the register. Since the appellant's trade mark was wrongly entered on the register, s. 40(1)(f) therefore affords no defence to the appellant.

Passing Off

The elements of the tort of passing off are found in the leading speech of Lord Oliver in the case of *Reckitt & Colman Products Ltd v. Borden Inc and Ors* [1990] 1 All ER 873 HL at p. 880:

> The law of passing off can be summarised in one short general proposition, no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the **elements** which the plaintiff in such an action has to prove in order to succeed. These are three in number. **First, he must establish goodwill or reputation** attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'getting up' (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognized by the public as distinctive specifically of the plaintiff's goods or services. **Second, he must demonstrate a misrepresentation by the defendant** to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. Whether the public is aware of the plaintiff's identity as the manufacturer or supplier of the goods or services is immaterial, as long as they are identified with a particular source which is in fact the plaintiff. For example, if the public is accustomed to rely on a particular brand name in purchasing goods of a particular description, it matters not at all that there is little or no public awareness of the identity of the proprietor of the brand name. **Third,** he must demonstrate that he suffers or, in a *quia timet* action, that **he is likely to suffer damage** by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff. (emphasis added)

Back home, the then Supreme Court in *Seet Chuan & Anor v. Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 3 CLJ 7 held that in order to create a valid cause of action for passing off, there must be a misrepresentation made by the trader in the cause of trade to prospective customers which is calculated to injure the business or goodwill of another and has caused actual damage to the business or goodwill of another.

Thus in summary, the respondents had to establish three elements at trial in order to demonstrate that the appellant had passed off their medicinal wine as that manufactured and sold by the respondents:

(i) reputation

(ii) misrepresentation; and

(iii) damage.

Respecting the first element, reputation, there is hardly any challenge by the appellant. This is due to the fact that the respondents had sold Yomeishu in Malaysia from 1969 to 1992 to the value of RM34,000,000 and that the respondents had spent nearly RM8,000,000 on advertising expenses in Malaysia for the same 23-year period. With this advertisement, the learned judge found that the respondents must have built up among the local Chinese reputation for their trade mark and for their get-up as well as for their product in the Chinese pronunciation of the combination including the Mandarin phonetic sound of the combination, ie, 'Yang Ming Jiu'.

It is also a prerequisite that the said misrepresentation had deceived or is likely to deceive and that the respondents are likely to suffer damage by such deception (*The Law of Passing-Off Unfair Competition by Misrepresentation* by Christopher Wadlow, 3rd edn, p 294). But where the products are the same or similar, as in this case, damage is readily inferred (see *Chuan Seng & Anor, Supra; J.C. Eno, Ltd, supra*). It is clear from the authorities that a case in passing off would be established if the likelihood of deception is proved. In other words, proving actual confusion is not necessary (see *Kerly's Law of Trade Marks and Trade Names*, 13th edn. at p 619). The question whether the matter complained of amounts to a misrepresentation is a matter for the judge to be decided not just by evidence of confusion but on the assessment of the totality of the evidence before the court (see *A.G. Spalding & Bros. v A.W. Gamage Ld*. [1915] 32 RPC 273). The judgment of the learned judge clearly shows that he did assess the totality of the evidence before he came to his conclusion.

Thus, the learned judge was correct when he found as a fact that the confusion was amply demonstrated by the radio campaign. Out of the 121 listeners 10 came in with the appellant's product and one came with both, that is, 8% of the listeners were actually confused. The learned judge also referred to the incident when an employee of the 3rd respondent in January 1993 who purchased a bottle of "Chinese Yangmingjiu" sold by the appellant but received a receipt from the shop calling it "Yomeishu". This is a clear example of another real confusion and not a likelihood of confusion. Therefore, the appellant is not permitted to name its product merely by adding two characters "Chung" "Kok" (in Mandarin) to precede the three characters. If the appellant is permitted to do so, then this would be akin to a trader attempting to pass off

his drink by calling it "Malaysian" Coca Cola or writing the words Coca Cola in a foreign script, like Jawi. Surely, in such event, the proprietor of the registered trade mark of Coca Cola would be entitled to permanent injunctions and or rectification of register if that were attempted under Malaysian law.

Conclusion

It is therefore our view that the learned trial judge had correctly dealt with the cases and the issues of phonetic confusion as they applied to the facts in this case. Based on the totality of the evidence adduced, the learned judge was right in concluding that there had been a deliberate choice by the appellant of the name of the respondents' well known product "Yomeishu", albeit disguised by having it in the Mandarin pronunciation of the combination of the three kanji characters, "Yang Ming Jiu". The learned judge committed no errors of law or fact which would justify interference by this court. Accordingly, we dismiss this appeal with costs and affirm the orders of the High Court. We order that the deposit be paid to the respondents to account of their taxed costs.